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FM AMEMBASSY NEW DELHI  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 4000  
INFO RUEHBJ/AMEMBASSY BEIJING 2070  
RUEHLM/AMEMBASSY COLOMBO 5368  
RUEHKA/AMEMBASSY DHAKA 5382  
RUEHIL/AMEMBASSY ISLAMABAD 8370  
RUEHKT/AMEMBASSY KATHMANDU 6043  
RUEHMO/AMEMBASSY MOSCOW 8438  
RUEHKO/AMEMBASSY TOKYO 3310  
RUEHCI/AMCONSUL CALCUTTA 3904  
RUEHCG/AMCONSUL CHENNAI 3812  
RUEHKP/AMCONSUL KARACHI 3948  
RUEHLH/AMCONSUL LAHORE 2624  
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C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 003433

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E.O. 12958: DECL: 02/17/2016

TAGS: [PREL](#) [PHUM](#) [PTER](#) [AORC](#) [ECON](#) [EPET](#) [MASS](#) [KDEM](#) [IN](#) [NP](#)

SUBJECT: POLITICAL AND DIPLOMATIC SUPPORT TO NEPAL VITAL,  
SAYS INDIA

REF: A. NEW DELHI 3382

[¶](#)B. KATHMANDU 1248  
[¶](#)C. KATHMANDU 1251

Classified By: PolCouns Geoff Pyatt for reasons 1.4 (B,D)

[¶](#)1. (U) This is an ACTION REQUEST for G, IO and USUN. Please see paragraph 10.

[¶](#)2. (C) Summary: The international community needs to provide full diplomatic and political support to the Government of Nepal (GON) and be ready to provide aid when requested, MEA Joint Secretary (North) Pankaj Saran told PDAS (SCA) Donald Camp and PolCouns on May 17. UN cease-fire monitoring in Nepal is not required at this stage, but could be an option in the future, if requested by the GON. Saran stated that other priorities for the GON should be to ensure the cease-fire holds and agreeing to a code of conduct with the Maoists. He commented that the transition in Nepal since April 30 has worked out well and the country has avoided problems, but cited the intransigence the Maoists as the principle obstacle to a lasting solution. The political transition needs to have a legal basis and the GON must be able to show sound reasoning for taking actions in order to avoid future conflict, Saran warned. The GOI has also suggested the GON not alienate the police and army in order to avoid "fighting two fronts at one time." Extortion by the Maoists continues, particularly of Indian citizens and joint ventures in Southern Nepal. The GON should not be too hasty in releasing Maoist prisoners before negotiations begin, Saran suggested. He noted that the GOI has promoted the UN Democracy Fund with Nepalese civil society groups and believes there are numerous opportunities for projects in Nepal if the submission deadline is extended. End Summary.

International Support for the SPA

13. (C) Diplomatic and political support from the international community for the SPA is crucial at this stage of the political transition in Nepal in order to foster a strong and united front in the face of the Maoists and the monarchy, Saran told PDAS Camp and PolCouns on May 17. Noting that the GON had not requested any type of aid from India, he suggested that the international community wait for a request from the civilian government before sending assistance, especially military items. Military sales at this juncture would only complicate the discussions between the GON and the Maoists, possibly making it less likely the Maoists would agree to turn in their weapons, and creating unnecessary pressure for the GON to "give something" to the Maoists. Camp agreed the US, too, would wait for the civilian government to approve military assistance for the army. Regarding UN involvement in monitoring the cease-fire, Saran argued that it would be best to see how the new government handles the situation. "Until the GON requests international monitors, let's leave that question open," Saran stated.

#### Cease-Fire and the Code of Conduct

14. (C) The two most pressing issues for the GON are ensuring the cease-fire holds and that an acceptable code of conduct is agreed upon by the government and the Maoists. He noted that, rather than relying on the UN to monitor the cease-fire, the best way to ensure that peace holds is by building greater trust between the government and the army.

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He argued that earlier cease-fires had failed because there were too many players willing to sabotage the peace for political goals. Saran also commented that the GON and Maoists must quickly implement a code of conduct to manage the cease-fire.

#### A Good Start, But Maoists a Problem

15. (C) The political process during the three weeks since the King stepped down "has worked out well," Saran commented, while identifying the attitude of the Maoists as the principle near-term challenge. The nomination of Prime Minister Koirala and the election of CPN-UML member Subas Chandra Nemwangas as Speaker of House of Representatives on May 13 (Ref B) has demonstrated the SPA can work together. He also remarked that a proposal he had seen for expanding the cabinet included adding two members from the smaller parties, demonstrating that the Nepali Congress will allow other parties to play a larger role. However, Saran predicted that the GON still had a number of "difficult days ahead." The 10-point declaration by the Maoist (Ref C) is something we need to watch, Saran warned, as some parts are not as innocuous as they may look. Citing the Maoist calls to disband the current government before other institutions are in place, he questioned why the Maoists would want to do so. These type of questions will cause problems because the Maoists, government and monarchy still look at each other with a great deal of suspicion.

16. (C) The political transition must have a legal basis and the government needs to be able to provide sound reasons for the decisions it makes, Saran asserted. The GOI has "forcefully" informed the GON that if they deviate from the constitution they should be prepared to defend their actions, he reported.

#### Do Not Alienate the Army

17. (C) The GOI also warned the GON not to take action that would alienate the police and the army, according to Saran.

Reminding the political leadership in Kathmandu that they do not want to "fight on two fronts," he suggested that it make decisions that would keep the military leadership on its side. Regarding the suspension of a number of RNA security chiefs (Ref D), Saran opined that the removals should not cause long-term problems for the GON, as the positions were filled by other officers. The GOI had been worried by initial reports that the new government also intended to sack RNA Chief General Thapa. The appointment of long-time RNA officers into the vacant slots should reassure the army that the civilian government is not looking to target it further, Saran claimed.

¶18. (C) The transition of the Royal Nepal Army to a national army under the authority of the government, not the King, would be an important step. Saran commented that having the army answer to the National Defense Council (NDC), made up of the Prime Minister, Defense Minister and the Army Chief of Staff, would be one option. He indicated that having the NDC be in charge of the military would likely improve the public's perception of the army.

Extortion Continue

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¶19. (C) Saran reported that extortion in the border regions

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continues, with Indian citizens and joint ventures being the victims. Accordingly, he noted that the GON should be wary of releasing too many Maoist prisoners before serious negotiations begin, because they will need as many bargaining chips as possible. Regarding Maoists incarcerated in Indian jails, Saran indicated that the GOI has "no intention of releasing them and privately told the GON not to press the issue."

ACTION REQUEST: UN Democracy Fund

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¶10. (C) Saran suggested Nepal would be an excellent place to utilize the UN Democracy Fund and noted the GOI had introduced the idea to civil society groups there. However, the deadline for calls for proposals is now closed, and Saran asked whether there was scope for an extension. ACTION REQUEST: Can the deadline be extended to allow Nepal-based NGOs access to the program? Saran's enthusiasm for utilizing this channel represents another step forward in our democracy partnership, and a potentially fruitful avenue for pursuing our shared objectives in Nepal. END ACTION REQUEST.

¶11. (U) PDAS Donald Camp has cleared this cable.

¶12. (U) Visit New Delhi's Classified Website:  
(<http://www.state.sgov.gov/p/sa/newdelhi/>)  
MULFORD